The Road to a Resident Retention Revolution

Excerpted from The Resident Retention Revolution, authored by Laurence C. Harmon, CPM®, AND Kathleen M. McKenna-Harmon,CPM®, published by the Institute of Real Estate Management, June 1994.)

1. Appreciate the primacy of your residents. Do whatever it takes to earn – and deserve – their loyalty. They are the lifeblood of your company.

2. Manage moments of truth. Little things – the freshness of your signage, the friendliness of your caretakers, the appearance of the front lobby – determine whether an apartment property will be successful. These individual "moments of truth" need to be identified, managed, and distinguished.

3. Train your staff to understand your company's ethos BEFORE you teach job skills. "Acculturation" is the process of familiarizing new employees with a company's values and goals. Premier service providers concentrate on acquainting new hires with the company mission before they teach job skills. Do your employees understand your company's ethos, its attitudes toward your customers, and its reason for being in business?

4. Build a "customer-in" organization. Ultimately, the future of your company depends upon the long-term loyalty of your residents. When you pay attention to your residents' needs, your in the process of constructing a "customer-in" organization that merits the loyalty of its clients. Does your company react when it hears the voices of its residents?

5. "Flatten" the company. The most customer-responsive firms realize that the typical bureaucratic organization distances customers from the top of the company. Those businesses that cater to their customers are blessed with leaders who get on the front line to meet and satisfy their clients face to face.

6. Devise a mission statement. Has your company formulated a statement that describes its distinctive competence? Have your employees tackled the task of describing why you are in business, and what is special about your firm? Mission statements contain the graphic depiction of a company's uniqueness, as seen from the inside of your firm.

7. Improve your apartment "ergonomics." How easy is it for your prospective residents and your current residents to do business with you? Streamline your procedures from the perspective of your residents so that your company is ergonomically friendly.

8. Hire nice. The most important consideration in selecting new hires is to find the nicest people you can find and put them on the front lines. How helpful and friendly are your company's ambassadors?

9. Hire partners. The folks you put to work on the front lines will determine whether or not you stay in business. Do you have confidence that your frontline servers are the people who should be entrusted with the future of your company?

10. Focus on the front line. Because frontline personnel have the most frequent and often the most unpleasant – interactions with apartment residents, they are the property's human "moments of truth." Do you hire the best people you can find for these positions? Do you compensate them attractively? Do you give them all the authority they need to perform? Do you support them without hesitation.

11. Empower your staff. Your employees need to know that one of their most important responsibilities is to **HELP YOUR RESIDENTS!** They need to have the authority to solve their customers' problems on the spot. Equally important, they need to know that the organization will uphold their decisions and provide whatever assistance they may need.

12. Reward the behavior you want to encourage. Do you compensate employees for improvements in a property's overall economic performance or to incremental increases in value? Or is their pay tied, even indirectly, to resident turnover?

13. Reward everyone who contributes to improved economic outcomes. Because reduction of resident turnover is the business of all personnel of an apartment property, the entire staff should participate in the building's bonus program.

14. Treat you internal customers like gold. The most successful retailers recognize that their ability to serve and satisfy their external customers – those clients that pay the bills – depends entirely upon the dedication of their own employees or "internal" customers. Do you pay attention to the job satisfaction of your "internal" customers?

15. Do some "outer-circle" thinking. Designing an apartment that doesn't yet exist – that is, the ultimate rental living experience – is challenging work. Set aside some time to meet with your entire staff and perhaps a supplier and a resident or two, to brainstorm ways that you can use to provide the high-touch, personal value that will immortalize your apartment community in the minds of your prospects and customers.

16. Market for retention. The cost of acquiring new customers is astronomical. Set aside dollars to keep current customers. Designate an item in each property's annual budget as "retention marketing." Devote an "outer-circle thinking" exercise among your staff to plan how to spend the allocation. Make sure you spend every penny of the money you have budgeted for retention marketing.

17. "WOW!" your residents. Dazzle your residents with an occasional, unexpected, moment of truth that you have carefully planned to delight them. Personally wash their cars with Spring Saturday, serve them coffee, juice and rolls in the parking lot at 7 a.m., throw an impromptu Memorial Day opening-the-pool party. Whatever it is, let your residents know that you love them!

18. Be complaint-friendly. At any one

time, many – maybe even most – of your residents are truly dissatisfied with the quality of apartment living, and are ready to move elsewhere, perhaps to a competitive apartment property. Have you made it easy for them to let you know what you need to do to keep their business?

19. Staff for request "rhythms." Have you attempted to match your staff's availability – especially the availability of your maintenance personnel – to the needs of your residents? The accessibility of site personnel to residents, at times that are convenient to them, is a central ingredient of apartment ergonomics.

20. Make up for the "hassle factor." When residents experience a problem with their apartments, they expect that the situation will be resolved promptly to their satisfaction. They also deserve some additional benefits, something unexpected, to make amends for the annoyance. What do you do for the "hassle factor?"

21. Residents value speed. Retail customers expect expeditious service. They're increasingly willing to pay extra for it; their loyalty to particular retailers increasingly depends upon speedy response. Do you know what your residents consider to be "timely" service? And do you consistently meet their expectations?

22. Make your services visible. When service is visible to customers, it is likely that they will consider it more valuable; in the absence of visibility, customers are often unaware that service is being provided at all. Have you strategized techniques for making the service you supply to your residents – even routine service such as common area maintenance and cleaning - apparent that you have performed it?

23. Under-promise, over-deliver. A typical complaint of retail customers is that their suppliers have promised things they either could not deliver, or had no intention of delivering. The "over-promise, under-deliver" syndrome is prevalent in the real estate industry. Customer satisfaction is measured by the difference between sellers' performance and customers' own expectations.

24. Thin the rulebook. It is human nature to over-regulate the behavior of others. Decide what rules are absolutely essential to protect human safety and the apartment community. Keep them, and get rid of everything else.

25. Approach the revolution with a spirit of KAIZEN. Companies that undergo the transformation to a customer focus understand that a successful revolution can be a metamorphosis, rather than a cataclysmic event. One possibility is to approach the task with an attitude of patience rather than immediacy.